

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

**DECLARATION OF EDGAR W. MOSLEY II IN SUPPORT OF
MOTION OF DEBTORS FOR ENTRY OF AN ORDER DISMISSING
THE CHAPTER 11 CASES OF DEBTORS LIQUID FINANCIAL USA, INC.,
LIQUIDEX, LLC, ZUBR EXCHANGE LIMITED AND DAAG TRADING, DMCC**

I, Edgar W. Mosley II, hereby declare under penalty of perjury:

1. I am a Managing Director at Alvarez & Marsal North America, LLC (“A&M”), a restructuring advisory services firm specializing in interim management, crisis management, turnaround consulting, operational due diligence, creditor advisory services and financial and operation restructuring.

2. I have more than 20 years of restructuring and distressed investment experience across various industries, including oil & gas, manufacturing, transportation, automotive, retail, industrial construction, telecommunications, healthcare, and consumer products. I have a Bachelor’s Degree from Harvard University, and have been recognized as a Certified Insolvency and Restructuring Advisor by the Association of Insolvency and Restructuring Advisors, where I served on the board from 2019 until 2020.

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification number are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>. The principal place of business of Debtor Emergent Fidelity Technologies Ltd is Unit 3B, Bryson’s Commercial Complex, Friars Hill Road, St. John’s, Antigua and Barbuda.

3. Since joining A&M, I have been involved in numerous Chapter 11 restructurings including Seadrill Limited (2020 and 2017), Valaris plc, Diamond Offshore Drilling, Inc., Imerys Talc America, White Star Petroleum, Southcross Energy, Magnum Hunter Resources, Exide Technologies (where I served as the Chief Restructuring Officer), and Visteon Corporation.

4. I submit this declaration (the “Declaration”) in support of the Debtors obtaining final relief with respect to the *Motion of Debtors for Entry of an Order Dismissing The Chapter 11 Cases of Debtors Liquid Financial USA, Inc., LiquidEX, LLC, Zubr Exchange Limited and DAAG Trading, DMCC* (the “Motion”).² I am not being compensated separately for this testimony other than through payments received by A&M as financial advisor retained by FTX Trading Ltd. and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”). Except as otherwise indicated herein, all of the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by A&M professionals involved in advising the Debtors in the above-captioned case (the “Chapter 11 Case”) or information provided to me by the Debtors. If called upon to testify, I could and would testify to the facts set forth herein on that basis. I am authorized to submit this Declaration on behalf of the Debtors.

5. Debtor Liquid Financial USA, Inc. (“Liquid Financial”) was a Delaware corporation incorporated in January 2018. Based on currently available books and records, I believe Liquid Financial was incorporated to operate as a crypto exchange in the United States. I understand that Liquid Financial was a partially owned subsidiary of Debtor FTX Japan

² Capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.

Holdings K.K. (formerly known as Liquid Group Inc.), which was acquired in April 2022 by FTX Trading Ltd.

6. I understand that on March 15, 2022, the dissolution of Liquid Financial was approved by the company's shareholders. I further understand that the certificate of dissolution of Liquid Financial was filed with the Secretary of the State of Delaware on May 24, 2022. Attached as Exhibit 1 hereto is a copy of the certificate of dissolution of Liquid Financial. Given the dissolution of the entity, Liquid Financial does not have any assets or operations.

7. Debtor LiquidEX, LLC ("LiquidEX") is a New York limited liability company formed in January 2018. I understand that LiquidEX was a wholly-owned subsidiary of Liquid Financial.

8. I understand that on March 15, 2022, Liquid Financial entered into an assignment of membership interests agreement with Virtual Currency Partners, LLC and, in accordance with the terms of the agreement, Liquid Financial transferred all of its membership interests in LiquidEX to Virtual Currency Partners, LLC. As a result of such transfer, I believe that LiquidEX is not part of the FTX group, and the Debtors do not have any control over any assets, operations or affairs of LiquidEX.

9. According to available books and records, Debtor Zubr Exchange Limited ("Zubr") is an entity organized in Gibraltar and is a direct, wholly-owned subsidiary of Debtor Innovatia Ltd ("Innovatia") and an indirect, wholly-owned subsidiary of FTX Trading Ltd. Based on currently available books and records, I believe Zubr was established on August 19, 2019 under the laws of Gibraltar to operate a secondary market venue for trading virtual assets and derivatives and to provide custody services.

10. I understand that on September 16, 2021, the Gibraltar Financial Services Commission (“GFSC”) issued a license (the “License”) authorizing Zubr to operate its business. Based on currently available books and records, Zubr has never earned any revenue from operational activities and has never had any customers.

11. I understand that on December 22, 2022, GFSC released a statement indicating its decision to cancel the License due to, among others, a failure by Zubr to conduct any regulated activity authorized under the License. I also understand that GFSC noted that Zubr would likely fail to satisfy threshold conditions to operate including, for example, appropriate funding, effective supervision and a suitable business model to conduct regulated activities.

12. Based on currently available books and records, as of August 31, 2023 Zubr holds approximately \$719,000 in cash across several accounts. Additionally, based on currently available books and records, as of August 31, 2023 Zubr has aggregate outstanding liabilities of approximately \$20,000 (*i.e.* \$10,000 in accounts payable and \$10,000 in an intercompany claim from its parent company, Debtor Innovatia Inc.)

13. Although the Debtors have taken measures to reduce the cash operating expenditures of Zubr, the current operating costs are approximately \$14,200 per month, approximately \$10,000 corresponding to payroll dues and approximately \$4,200 to payroll taxes.

14. Debtor DAAG Trading, DMCC (“DAAG”) was incorporated in the United Arab Emirates in October 2021 as a Dubai proprietary trader and swap dealer. DAAG was licensed by the Dubai Multi Commodities Centre.

15. I understand that on April 26, 2023, the dissolution of DAAG became effective under the laws of the United Arab Emirates. Attached as Exhibit 2 hereto is a copy of

the certificate of dissolution of DAAG. Given the dissolution of the entity, DAAG does not have any assets or operations.

Dated: October 25, 2023

/s/ Edgar W. Mosley II

Edgar W. Mosley II
Alvarez & Marsal North America, LLC
Managing Director